

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

November 28, 2001

Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

RE: R & R Consultants Docket No. 01-00938

Dear Mr. Waddell:

On September 11, 2001, the Tennessee Regulatory Authority ("Authority") opened a docket for the purpose of investigating R&R Consultants (hereafter referred to as "R&R") to determine whether grounds exist for the issuance of a show cause order for alleged violation of Authority Rule Chapter 1220-4-11 and Tenn. Code Ann. § 65-4-401 *et seq.* The Authority's Consumer Services Division ("CSD") had requested this action due to registering of sixteen (16) consumer complaints alleging the R&R Consultants had violated the above referenced rule chapter and Tenn. Code. R&R is domiciled out of Canada.

Since the opening of this docket, the CSD has learned that the Federal Trade Commission ("FTC") is investigating R&R for various alleged violation of federal law and has filed with the United States District Court of the Northern District of New York a petition for relief on behalf of United States consumers. In response to the FTC petition, the Federal Court issued a restraining order with an asset freeze and other equitable relief against R&R on October 10, 2001. Attached is a copy of the Order. Due to the international status of R&R, it is the CSD's opinion that the FTC is in the best position to take enforcement action against R&R.

In light of the FTC's ongoing enforcement action, and the Federal Court's recent action against R&R, and the fact that no additional consumer complaints have been filed against R&R with the Authority since the opening of the docket, the CSD respectfully recommends that this docket be closed.

Sincerely,

Eddie Roberson
Chief, Consumer Services Division

cc: Andrew N. Cove, Counsel for R&R
Richard Collier, Authority General Counsel
Lynn Questell, CSD Counsel